

# **CHARGES FOR SERVICES AND EQUIPMENT**

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## **7000. CHARGES FOR SERVICES AND EQUIPMENT**

### **7010. System Services**

#### **(a) Nasdaq Level 1 Service**

The charge to be paid by the subscriber for each terminal receiving Nasdaq Level 1 Service is \$20 per month. This Service includes the following data:

(1) inside bid/ask quotations calculated for securities listed in The Nasdaq Stock Market and securities quoted in the Bulletin Board service;

(2) the individual quotations or indications of interest of broker/dealers utilizing the Bulletin Board service; and

(3) last sale information on securities classified as designated securities in the Rule 4630, 4640, and 4650 Series and Bulletin Board eligible securities as that term is defined in Rule 6530..

#### **(b) Nasdaq Level 2/3 Service**

The charge to be paid by the subscriber for each terminal receiving Nasdaq Level 2 or Nasdaq Level 3 Service shall be \$150 per month plus \$140 per month communication charge, plus equipment related charges as detailed in Rules 7020, 7030, and 7040. Equipment related charges may include an installation charge, a site survey, a terminal charge and conversion, removal and relocation charges.

#### **(c) (1) Consolidated Quotation Service**

The charge to be paid by the subscriber for each terminal receiving Consolidated Quotation Service shall be \$50 per month and \$.02 per quotation request plus the monthly charges established by the NYSE and AMEX for receiving last sale information and bid/ask quotations plus equipment related charges as detailed in Rules 7020, 7030, and 7040. Equipment related charges may include an installation charge, a site survey, a terminal charge and conversion, removal and relocation charges.

#### **(2) Listed Securities Transaction Credit.**

For a pilot period, qualified Nasdaq members that trade securities listed on the NYSE and Amex on an unlisted trading privileges basis reported by Nasdaq to the Consolidated Tape Association may receive from Nasdaq transaction credits based on the number of trades so reported. To qualify for the credit with respect to Tape A reports, a Nasdaq member must account for 500 or more average daily Tape A reports of unlisted trading privileges transactions as reported to the Consolidated Tape during the concurrent calendar quarter. To qualify for the

credit with respect to Tape B reports, a Nasdaq member must account for 500 or more average daily Tape B reports of unlisted trading privileges transactions as reported to the Consolidated Tape during the concurrent calendar quarter. If a Nasdaq member is so qualified to earn credits based either on its Tape A activity, or its Tape B activity, or both, that member may earn credits from one or both pools maintained by Nasdaq, each pool representing 40% of the revenue paid by the Consolidated Tape Association to Nasdaq for each of Tape A and Tape B transactions. A qualified Nasdaq member may earn credits from the pools according to the member's pro rata share of Nasdaq's unlisted trading privileges trade reports in each of Tape A and Tape B for each calendar quarter starting with July 1, 2000 for Tape A reports (April 1, 2000 for Tape B reports) and ending with the calendar quarter starting on October 1, 2000.

**(d) Computer Assisted Execution Service**

The charges to be paid by members receiving the Computer Assisted Execution Service (CAES) shall consist of a fixed service charge and a per transaction charge plus equipment related charges.

**(1) Service Charges**

\$100 per month for each market maker terminal receiving CAES.

**(2) Transaction Charges**

(A) As of January 1, 1998, \$0.50 per execution shall be paid by any order entry firm or CAES market maker that enters an order into CAES that is executed in whole or in part.\*

(B) As of November 1, 1997, \$1.00 per commitment shall be paid by any member that sends a commitment through the ITS/CAES linkage to buy or sell a listed security that is executed in whole or in part.\*\*

\* As of September 1, 2000, a CAES market maker that receives and executes a CAES order or any part of a CAES order will not be required to pay a CAES transaction charge.

\*\* As of September 1, 2000, a member that receives a commitment through the ITS/CAES linkage to buy or sell a security that is executed in whole or in part will not be required to pay a CAES transaction charge.

**(e) Non-Professional Services**

(1) The charge to be paid by non-professional subscribers for access to Nasdaq Level 1 Service or the Last Sale Information Service through an authorized vendor shall be \$4.00 per interrogation device per month.

(2) A "non-professional" is a natural person who is neither:

(A) registered or qualified in any capacity with the Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association;

(B) engaged as an "investment adviser" as that term defined in Section 201(11) of the Investment Advisors Act of 1940 (whether or not registered or qualified under that Act); nor

(C) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt.

(3) Nasdaq may waive all or part of the foregoing charges with respect to the services offered by a vendor.

**(f) Nasdaq Workstation Service**

(1) The following charges shall apply to the receipt of Level 2 or Level 3 Nasdaq Service via an authorized personal computer (PC):

Service Charge	\$345/PC/month
Advanced Communications Charge	\$135/PC/month for the first unit \$85/PC/month for each additional unit at the same site
Maintenance (offered only on UNISYS and Tandem PCs)	\$55/PC/month
Second Monitor/keyboard Attached to an Authorized PC	\$195/month

(2) The following charges shall apply to the receipt of Level 2 or Level 3 Nasdaq Service via equipment and communications linkages prescribed for the Nasdaq Workstation II Service:

Service Charge	\$1,500/month per service delivery platform ("SDP")
Display Charge	\$525/month per presentation device ("PD")
Additional Circuit/SDP Charge	\$2,700 per month <sup>i*</sup>

A subscriber that accesses Nasdaq Workstation II Service via an application programming interface ("API") shall be assessed the Service Charge for each of the subscriber's SDPs and shall be assessed the Display Charge for each of the subscriber's API linkages, including an NWII substitute or quote-update facility. API subscribers also shall be subject to the Additional Circuit /SDP Charge.

(3) The following charges shall apply for each CTCI subscriber:

Service Charge                      \$200/month per CTCI circuit

**(g) Automated Confirmation Transaction Service**

The following charges shall be paid by the participant for use of the Automated Confirmation Transaction Service (ACT):

## Transaction Related Charges:

	Comparison
	\$0.0144/side per 100 shares (minimum 400 shares; maximum 7,500 shares)
Late Report - T+N	\$0.288/side
Browse/query	\$0.288/query <sup>ii*</sup>
Terminal fee	\$57.00/month (ACT only terminals)
CTCI fee	\$575.00/month
Service desk	\$57.00/month <sup>iii**</sup>
	Trade Reporting
	\$.029/side (applicable only to reportable transaction not subject to trade comparison through ACT) <sup>iv***</sup>
Risk Management Charges:	\$.035/side and \$17.50/month per correspondent firm (maximum \$10,000/month per correspondent firm)

**(h) National Quotation Data Service (NQDS)**

(1) Except as provided in subparagraph (2) of this section, the charge to be paid for each interrogation or display device receiving all or any portion of the information disseminated through the NQDS shall be \$50.00 per month. The NQDS information that will be provided through this service consists of individual market maker quotations, Nasdaq Level 1 Service and the Last Sale Information Service.

(2) The charge to be paid by a non-professional for each interrogation or display device receiving all or any portion of the NQDS information disseminated through an authorized vendor shall be \$10.00 per month.

(3) A “non-professional” is a natural person who is neither:

(A) registered or qualified in any capacity with the Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association;

(B) engaged as an “investment adviser” as that term defined in Section 201(11) of the Investment Advisors Act of 1940 (whether or not

registered or qualified under that Act); nor

(C) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt.

**(i) SelectNet Service**

The following charge shall apply to the use of SelectNet:

Transaction Charge for Executed Broadcast Orders	\$2.50/side
Cancellation Fee	\$.25/per order

A Nasdaq member that enters a directed SelectNet order that is subsequently executed in whole or in part will have its monthly Directed Order Charges assessed as follows:

	\$1.00 per order for the first 50,000 directed orders executed that month
	\$0.70 per order for the next 50,000 directed orders executed that same month
	\$0.20 per order for all remaining directed orders executed that same month

**(j) Bulletin Board Service**

The following charge shall apply to a broker/dealer that displays quotations or trading interest in the Bulletin Board service:

Position Charge	\$6.00/security/month
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**(k) Nasdaq National Market Execution System**

(1) SelectNet

\$1.00 per order for the first 50,000 liability orders executed that month
\$0.70 per order for the next 50,000 liability orders executed that month
\$0.50 per order for the next 50,000 liability orders executed that month
\$0.10 per order for all remaining liability orders executed that same month
\$2.50/side for Executed Broadcast Orders
\$.25 per Cancellation

(2) NNMS

\$.50 per order executed for the first 150,000 orders executed under 2000 shares monthly;  
\$.30 for all remaining orders executed less than 2000 shares monthly;  
\$.90 per order for all orders over 2000 shares; and  
No fee will be charged to a member who receives an execution in NNMS.

**(l) Market Data Distributor or Vendor Annual Administrative Fee**

Nasdaq Market Data Distributors or Vendors shall be assessed the following annual administrative fee:

Delayed distributor	\$250.00
0 - 999 real-time terminals	\$500.00
1,000 - 4,999 real-time terminals	\$1,250.00
5,000 - 9,999 real-time terminals	\$2,250.00
10,000 + real-time terminals	\$3,750.00

Nasdaq may waive all or part of the foregoing charges.

**(m) Automated Voice Response Service Fee**

The monthly charge to be paid by the subscriber for access to Nasdaq Level 1 Service and Last Sale Information Service through automated voice response services shall be \$21.25 for each voice port.

**(n) NasdaqTrader.com Trading and Compliance Data Package Fee**

The charge to be paid by an Nasdaq Member Firm for each entitled user receiving Nasdaq Trading and Compliance Data Package via NasdaqTrader.com is \$75 per month (monthly maximum of 25 Historical Research Reports) or \$100 per month (monthly maximum of 100 Historical Research Reports). The Nasdaq Trading and Compliance Data Package includes:

- (1) Daily Share Volume Report for a Broker/Dealer (Member Firm's information only)
- (2) Monthly Compliance Report Cards (Member Firm's information only)
- (3) Monthly Summaries
- (4) Historical Research Reports
  - (i) Market Maker Price Movement Report
  - (ii) Equity Trade Journal (Member Firm's information only)

Nasdaq may modify the contents of the Nasdaq Trading and Compliance Data Package from time to time based on subscriber interest

**(o) Nasdaq Application of OptiMark Service**

The following charges shall apply to the use of the Nasdaq Application of the

OptiMark Service ("Service"):

**(1) Standard Charge**

Unless otherwise discounted as set forth below, the Nasdaq member responsible for clearing a side of an execution that occurs through the Service shall pay \$0.01 per share executed.

**(2) Discounted Charge**

An execution of a profile (or a portion thereof) entered by a Nasdaq member as principal into the Service shall pay a discounted execution charge of \$0.005 per share, unless such execution resulted in price improvement greater than the minimum quote increment for the security.

**(3) No Charge Assessed**

For executions of quotations that participate in a match through the Service, the Nasdaq member or UTP Exchange that entered such quotation shall not be assessed a fee for any execution of such quotation that occurs as a result of such participation.

**(p) Historical Research and Administrative Reports**

The charge to be paid by the purchaser of separate Historical Research and Administrative Reports, shall be as follows:

(1) Daily Detailed Reports - \$7 per day, per security and/or market participant for reports containing 15 fields or less. \$15 per day, per security and/or market participant for reports exceeding 15 fields.

(2) Summary Level Activity Reports - \$25 per report.

(3) Administrative Reports - \$25 per user, per month.

**7020. Equipment Related Charges**

(a) The charge for using Nasdaq terminal equipment shall be \$120 per month for the first terminal and \$105 per month for each additional terminal where all terminals are located on the same premises.

(b) The charge for using interrogation or display devices which are not supplied by Nasdaq, but which utilize a Nasdaq supplied modem, shall be \$75 per month for the first comparable device and \$55 per month for each additional comparable device where all devices are located on the same premises.

(c) The charge for using interrogation or display devices and modems which are

not supplied by Nasdaq shall be \$50 per month for each such device located on the same premises.

(d) Nasdaq subscribers utilizing UNISYS or Tandem personal computers (PCs) authorized for emulation of the Harris standard terminal may elect to receive maintenance through Nasdaq at the rate of \$55/PC/month.

### **7030. Special Options**

Receive only Printer  
\$100/month

Local Posting 10/month	Permits subscriber to use Nasdaq Level 3 terminals to enter quotations simultaneously into an internal computer system.	\$
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Dual Keyboard  
\$ 15/month

Nasdaq Market Indexes \$500/month	Permits vendor to process Nasdaq Level 1 and Last Sale data feeds solely for the purpose of supplying subscribers with real-time calculations of Nasdaq market indexes.
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Non-Continuous \$ .01/query	Permits vendor to process and distribute Access to Nasdaq Nasdaq Level 1 and Last Sale information to its subscribers on a non-continuous or query-response basis.
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### **7040. Installation, Removal or Relocation**

Upon installation, removal, relocation of terminal and related equipment, or combination thereof, the subscriber shall pay charges incurred by Nasdaq or its subsidiaries, on behalf of the subscriber for the work being performed by the maintenance organization retained Nasdaq or its subsidiaries.

### **7050. Other Services**

#### **(a) Daily Reports to Newspapers**

Reports for regular public release, such as a list of closing quotations or market

summary information for newspaper publication, shall be produced in a format acceptable to most publishers without charge. Should such information be transmitted to another location at the request of any firm, a charge may be imposed for such services by Nasdaq or a subsidiary.

**(b) Other Requests for Data**

Nasdaq or a subsidiary may impose and collect compensatory charges for data Nasdaq supplied upon request, where there is no provision elsewhere in this Rule 7000 Series for charges for such service or sale.

**(c) Correspondents**

The charge for registration and display of a correspondent firm for a registered market maker shall be \$3.50 per month for each correspondent displayed per security.

**(d) Testing Services**

(1) Subscribers that conduct tests of their computer-to-computer (CTCI) or digital interface (DIS/CHIPS) with the central processing facilities of The Nasdaq Stock Market, Inc. (NSMI) shall pay the following charges:

\$285/hour	For CTCI/DIS/CHIPS testing between 9:00 a.m. and 5:00 p.m. Eastern Time on business days;
\$333/hour	For testing at all other times on business days, or on weekends and holidays.

(2) The foregoing fees shall not apply to testing occasioned by:

(A) new or enhanced services and/or software provided by NSMI  
or

(B) modifications to software and/or services initiated by NSMI in response to a contingency.

**7060. Partial Month Charges**

The charges for the month of commencement or termination of service will be prorated based on the number of trade days in that month.

**7070. Subscriber Deposits**

New and existing subscribers to Level 2/3 or Nasdaq Workstation service shall be subject to the following deposit charges per unit:

(a) New subscriber:

(1) estimated telecommunications provider charges for network

infrastructure, connection and testing;

(2) two (2) months circuit charges; and

(3) estimated telecommunications provider disconnect charges.

(b) Existing subscribers subject to subscriber deposits include those that have been placed on the termination list two or more times within a two year period; those that have paid for services with one or more NSF checks; and those that have had service disconnected for non- payment but have not had equipment removed:

(1) two (2) months circuit charges; and

(2) estimated telecommunications provider disconnect charges.

#### **7080. Late Fees**

(a) All charges imposed by Nasdaq that are past due 45 days or more will be subject to a late fee computed by taking the summation of one and one-half percent (1 ½%) of the amount past due for the first month plus one and one-half percent (1 ½%) of the amount past due for any month thereafter, compounded by late fees assessed for previous months.

(b) To illustrate how late fees are assessed, if an account is past due \$1,000 for 45 days, the late fee would be \$30.22. This charge reflects a charge of \$15 for the first month past due ( $\$1,000 \times 1\frac{1}{2}\%$ ) and \$15.22 for the second month past due ( $\$1,015 \times 1\frac{1}{2}\%$ ).

#### **7090. Mutual Fund Quotation Service**

(a) Funds included in the Mutual Fund Quotation Service ("MFQS") shall be assessed an annual fee of \$275 per fund authorized for the News Media Lists and \$200 per fund authorized for the Supplemental List. Funds authorized during the course of an annual billing period shall receive a proration of these fees but no credit or refund shall accrue to funds terminated during an annual billing period. In addition, there shall be a one-time application processing fee of \$250 for each new fund authorized.

(b) Funds included in the MFQS and pricing agents designated by such funds ("Subscriber"), shall be assessed a monthly fee of \$75 for each logon identification obtained by the Subscriber. A Subscriber may use a logon identification to transmit to Nasdaq pricing and other information that the Subscriber agrees to provide to Nasdaq.

#### **7100. Minor Modifications in Charges**

(a) To compensate for minor variations in annual net income, the Board of Directors of Nasdaq may increase or decrease the total charges in this Schedule by 10% from the base charges as adopted on August 28, 1979 upon filing such change with the

Commission pursuant to Section 19(b)(3) of the Act.

(b) To facilitate the development of new information services and uses under appropriate terms and conditions, arrangements of limited duration, geography and/or scope may be entered into with Broker/Dealers, Vendors and other persons which may modify or dispense with some or all of the charges contained in this Rule or the terms and conditions contained in standard agreements. The arrangements contemplated will permit the testing and pilot operation of proposed new information services and uses to evaluate their impact on and to develop the technical, cost and market research information necessary to formulate permanent charges, terms and conditions for filing with and approval by the Commission.

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- i \* A subscriber shall be subject to the Additional Circuit/SDP Charge when the subscriber has not maximized capacity on its SDP(s) by placing eight PDs and/or API servers on an SDP and obtains an additional SDP(s); in such case, the subscriber shall be charged the Additional Circuit/SDP Charge (in lieu of the service charge) for each "underutilized" SDP(s) (i.e., the difference between the number of SDPs a subscriber has and the number of SDPs the subscriber would need to support its PDs and/or API servers, assuming an eight-to-one ratio). A subscriber also shall be subject to the Additional Circuit/SDP Charge when the subscriber has not maximized capacity on its T1 circuits by placing six SDPs on a T1 circuit; in such case, the subscriber shall be charged the Additional Circuit/SDP Charge (in lieu of the service charge) for each "underutilized" SDP slot on the existing T1 circuit(s). Regardless of the SDP allocation across T1 circuits, a subscriber will not be subject to the Additional Circuit/SDP Charge if the subscriber does not exceed the minimum number of T1 circuits needed to support its SDP, assuming a six to one ratio.
- ii \*\* Each ACT query incurs the \$0.288 fee; however, the first accept or decline processed for a transaction is free, to insure that no more than \$0.288 is charged per comparison. Subsequent queries for more data on the same security will also be processed free. Any subsequent query on a different security will incur the \$0.288 charge.
- ii \*\* The ACT service desk is available to ACT participants that do not have access to Nasdaq equipment and that average five or fewer trades per day during the previous calendar quarter.
- iii \*\*\* The trade reporting service charge is applicable to those trades input into ACT for reporting purposes only, such as NSCC Qualified Special Representative reports and reports of internalized transactions.